

THE MINERAL INDUSTRY OF PAPUA NEW GUINEA

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Papua New Guinea comprises the eastern one-half of the island of New Guinea (which is the second largest island in the world), an archipelago of an additional three islands (Bougainville, New Britain, and New Ireland), and about 600 smaller islets, atolls, and coral reefs. The 463,000-square-kilometer (km²) nation, which includes 9,980 km² of territorial waters, is located east of Indonesia between the Coral Sea and the South Pacific Ocean and lies just north of the Australian continent. Papua New Guinea was formed by the merger of the Australian territory of Papua and the German colonial possession of New Guinea following World War I. Australia administered Papua New Guinea until 1975 when it became an independent state.

Historically, mining has played a prominent role in Papua New Guinea's economy. In 1888, the first significant discovery of gold was made when the search for new bonanza alluvial gold deposits brought Australian miners from Queensland to Sudest Island in the Louisiade Archipelago. This discovery was followed by gold rushes at Misima and Woodlark Islands in the Solomon Sea and then on the mainland, which culminated in discoveries at Wau in 1922 and the adjacent Edie Creek in 1926. Hardrock mines were established on Misima, Sudest, and Woodlark Islands when the alluvial gold was exhausted; of the three, however, gold mining continued only at Misima following World War I. The rich discoveries at Edie Creek lead to the establishment of a number of underground hardrock mines near there and at nearby Wau, as well as large-scale dredging operations in the Bulolo Valley, which started in 1932. By 1939, eight large dredges were operating in the Wau-Bulolo Valley and, except for the interruption during World War II, dredging continued until 1965 when the last dredge was abandoned. Spurred by the fabulous riches of Edie Creek, prospectors ventured into other parts of the mainland and the outer islands; they eventually mined gold at Kainantu, Mount Hagen, and Porgera in the Highlands, along the Sepik River in the north, and at Kupei on Bougainville Island (Papua New Guinea Chamber of Mines and Petroleum, 2000, p. 9).

Petroleum exploration also is not new to Papua New Guinea. Oil companies have been searching diligently for recoverable oil and gas reserves since the first reports of oil seeps near Kerema along the coast of the Gulf of Papua in 1911. Although first oil was not discovered until 1922, 94 exploratory wells had been drilled by the time of independence in 1975.

More information on the mineral industry of Papua New Guinea can be found in the U.S. Geological Survey Minerals Yearbook 2002, volume III, Area Reports—International—Asia and the Pacific.

Reference Cited

Papua New Guinea Chamber of Mines and Petroleum, 2000, Profile—Papua New Guinea, *in* Mining and Petroleum Investment Conference, 6th, Sydney, Australia, December 4-6, 2000, Proceedings: Port Moresby, Papua New Guinea, Papua New Guinea Chamber of Mines and Petroleum, 92 p.

TABLE 1
PAPUA NEW GUINEA: PRODUCTION OF MINERAL COMMODITIES¹

Commodity ²		1999	2000	2001	2002	2003 ^e
Copper, mine output, Cu content	metric tons	187,921	203,061	203,762	204,000	204,000
Gas, natural	million cubic meters	1,353	1,438	1,434	1,450 ^e	1,450
Gold, mine output, Au content	kilograms	65,747	74,540	67,043	70,000	70,000
Natural gas liquids	42-gallon barrels	105,460	224,857	186,190	200,000 ^e	200,000
Petroleum, crude	thousand 42-gallon barrels	32,020	24,967	20,423	20,000 ^e	20,000
Silver, mine output, Ag content	kilograms	66,542	79,197	69,368	73,000	73,000

^eEstimated; estimated data are rounded to no more than three significant digits.

¹Includes data available through October 1, 2004.

²In addition to the commodities listed, cement and crude construction materials (common clays, sand and gravel, and stone) are produced, but output is not reported quantitatively, and available general information is inadequate to make reliable estimates.